

IONIA COUNTY, MICHIGAN

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003



Layton & Richardson, P.C.
Certified Public Accountants

CONTENTS

	PAGE
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	1
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	2-5
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7-8



Layton & Richardson, P.C.

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

1000 Coolidge Road
East Lansing, MI 48823



(517) 332-1900
(517) 332-2082 fax
Info@LNRCPA.com

David Layton, CPA
Principal
DaveLayton@LNRCPA.com

Merrick A. Richardson, CPA
Principal
Rick@LNRCPA.com

Vickie L. Crouch, CPA, CGFM
Principal
Vickie@LNRCPA.com

Stephen D. Plumb, JD, CPA
Principal
Steve@LNRCPA.com

Marjorie L. Bucklin, CPA
Manager
Margie@LNRCPA.com

Brenda L. Seelman, CPA
Manager
Brenda@LNRCPA.com

Annette B. Layton
Office Manager
Ann@LNRCPA.com

Board of Commissioners
County of Ionia
Ionia, Michigan

Compliance

We have audited the compliance of the COUNTY OF IONIA, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2003. The County of Ionia, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Ionia, Michigan's management. Our responsibility is to express an opinion on the County of Ionia, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the County of Ionia, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Ionia, Michigan's compliance with those requirements.

In our opinion, the County of Ionia, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the County of Ionia, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management, the Board of Commissioners and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Layton & Richardson, P.C.
Certified Public Accountants

East Lansing, Michigan
April 2, 2004

IONIA COUNTY, MICHIGAN
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2003

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER
 <u>U.S. Department of Health and Human Services</u>	
Passed through State Department of Health: Family Planning - Services*	93-004
	93-217
Child Well Being*	93-778
Health Education*	93-001
Infant Health Initiative Program*	93-004
Bioterrorism*	93-283
Passed through State Offices of Services to the Aging: Special Programs for the Aging - Title III, Part B	93-044
Special Programs for the Aging - Title III, Part C	93-045/10-550
Passed through State Department of Social Services: Crippled Children*	93-778
Immunization Action Plan*	93-268
Friend of the Court Cooperative Reimbursement	93-563
Friend of the Court Child Support Enforcement	93-563
Prosecuting Attorney Cooperative Reimbursement	93-563
Incentive Payments - Friend of the Court	93-560
Maternal & Child Health Service Block Grant	93-994
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES	
 <u>U.S. Department of Agriculture</u>	
Passed through Department of Agriculture: Supplemental Food Program for Women, Infants and Children*	10.557
Clean Sweep	66.505
TOTAL DEPARTMENT OF AGRICULTURE	

*These are 9/30/03 year ends.

FROM	GRANT PERIOD	TO	CURRENT REVENUE RECOGNIZED	EXPENDITURES
10-1-02		9-30-03	\$ 46,263	\$ 46,263
10-1-02		9-30-03	107,422	107,422
10-1-02		9-30-03	38,293	38,293
10-1-02		9-30-03	189,393	189,393
10-1-02		9-30-03	4,538	4,538
10-1-02		9-30-03	135,827	135,827
1-1-03		12-31-03	409,520	409,520
1-1-03		12-31-03	26,152	26,152
1-1-03		12-31-03	48,627	48,627
1-1-03		12-31-03	48,850	48,850
			<u>70,577</u>	<u>70,577</u>
			<u>1,125,462</u>	<u>1,125,462</u>
10-1-02		9-30-03	161,781	161,781
10-1-03		9-30-04	<u>17,244</u>	<u>17,244</u>
			<u>179,025</u>	<u>179,025</u>

IONIA COUNTY, MICHIGAN
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - Concluded
 FOR THE YEAR ENDED DECEMBER 31, 2003

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER
<u>U.S. Federal Emergency Management Agency</u>	
Passed through Department of State Police:	
Emergency Services	83.552
Domestic Preparedness Equipment	16.007
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY	
 <u>U.S. Department of Justice</u>	
Passed through Office of Community Oriented Police Services – Local Law Enforcement Block Grant	16.592
U.S. Department of Transportation Highway Safety	20.600
<u>U.S. Department of Commerce</u>	
Passed through State Department of Commerce:	
Community Development Block Grant – Federal Home Grant	14.239
Community Development Block Grant - Small Cities Program	14.219
TOTAL DEPARTMENT OF COMMERCE	
TOTAL FEDERAL ASSISTANCE	

FROM	GRANT PERIOD	TO	CURRENT REVENUE RECOGNIZED	EXPENDITURES
10-1-02		9-30-03	\$ 5,943	\$ 5,943
10-1-03		12-31-04	<u>117,449</u>	<u>117,449</u>
			<u>123,392</u>	<u>123,392</u>
10-1-02		9-30-03	<u>29,227</u>	<u>29,227</u>
1-1-03		12-31-03	<u>5,000</u>	<u>5,000</u>
5-1-02		4-30-04	49,837	39,267
11-1-02		12-31-04	<u>207,155</u>	<u>204,289</u>
			<u>256,992</u>	<u>243,556</u>
			<u>\$ 1,719,098</u>	<u>\$ 1,705,662</u>

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1: AIRPORT PROJECT GRANT

Ionia County received two block grants funded by the Federal Aviation Administration for the consultant design and the construction of the Runaway 9/27 rehabilitation and extension project. The consultants and contractors are paid directly by the Michigan Department of Transportation and, therefore, the County does not record the grant revenue. The total federal funds paid out for this project in fiscal year 2003 of \$607,795 are not included on the Schedule of Federal Financial Awards.

IONIA COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a unqualified opinion on the general purpose financial statements of the County of Ionia.
2. No reportable conditions relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of the County of Ionia were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for the County of Ionia expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for the County of Ionia.
7. The programs tested as major programs included: Cooperative Reimbursement, CFDA No. 93.563, Supplemental Food Program for Women, Infants and Children CFDA No. 10.557, and Community Development Block Grant - Small Cities Program CFDA No. 14.219.
8. The threshold for distinguishing Types A and B programs was \$300,000.00.
9. County of Ionia was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS -- MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

IONIA COUNTY, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

PROGRAM	FINDINGS/NONCOMPLIANCE	QUESTIONED COSTS
Title IV-D Child Support Enforcement (CFDA No. 93.563)	Several reports were filed after the due dates. This is mostly due to the fact that the reports are due to the State by the 10 th day of the following month and that is not enough time to close the books and do the report.	0